



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 19-54]

Arms Sales Notification

AGENCY: Defense Security Cooperation Agency, Department of Defense.

ACTION: Arms sales notice.

SUMMARY: The Department of Defense is publishing the unclassified text of an arms sales notification.

FOR FURTHER INFORMATION CONTACT: Karma Job at karma.d.job.civ@mail.mil or (703) 697-8976.

SUPPLEMENTARY INFORMATION: This 36(b)(1) arms sales notification is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996. The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 19-54 with attached Policy Justification and Sensitivity of Technology.

Dated: November 27, 2019.

Aaron T. Siegel,

Alternate OSD Federal Register Liaison Officer,

Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH, SUITE 101
ARLINGTON, VA 22202-5408

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
H-209, The Capitol
Washington, DC 20515

OCT 01 2019

Dear Madam Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 19-54 concerning the Navy's proposed Letter(s) of Offer and Acceptance to the Government of Japan for defense articles and services estimated to cost \$140 million. After this letter is delivered to your office, we plan to issue a news release to notify the public of this proposed sale.

Sincerely,

A handwritten signature in black ink, appearing to read "Hooper", is written over the typed name and title.

Charles W. Hooper
Lieutenant General, USA
Director

Enclosures:

1. Transmittal
2. Policy Justification

Transmittal No. 19-54

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

(i) Prospective Purchaser: Government of Japan

(ii) Total Estimated Value:

Major Defense Equipment*	\$ 0 million
Other	<u>\$ 140 million</u>
TOTAL	\$ 140 million

(iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:

Major Defense Equipment (MDE): None

Non-MDE:

Follow-On Technical Support (FOTS) sustainment and services in support of eight (8) Japan AEGIS Destroyers consisting of four (4) KONGO Class Destroyers, two (2) ATAGO Class Destroyers, two (2) MAYA Class Destroyers and one (1) Japanese Computer Test Site (JCPTS). The sustainment efforts will include AEGIS software updates, system integration and testing, U.S. Government and contractor technical assistance, and other related elements of logistics and program support.

(iv) Military Department: Navy (JA-P-QFA)

(v) Prior Related Cases, if any: JA-P-LYJ, JA-P-LZU, and JA-P-LZW

(vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None

(vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: None

(viii) Date Report Delivered to Congress: October 1, 2019

*As defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Japan – Follow-On Technical Support (FOTS) for AEGIS Destroyers

The Government of Japan has requested to buy Follow-On Technical Support (FOTS) sustainment and services in support of eight (8) Japan AEGIS Destroyers consisting of four (4) KONGO Class Destroyers, two (2) ATAGO Class Destroyers, two (2) MAYA Class Destroyers and one (1) Japanese Computer Test Site (JCPTS). The sustainment efforts will include AEGIS software updates, system integration and testing, U.S. Government and contractor technical assistance, and other related elements of logistics and program support. The estimated cost is \$140 million.

This proposed sale will support the foreign policy and national security of the United States by improving the security of a major ally that is a force for political stability and economic progress in the Asia-Pacific region. It is vital to U.S. national interests to assist Japan in developing and maintaining a strong and effective self-defense capability.

The proposed follow-on technical support is critical to ensure Japan Maritime Self Defense Force's (JMSDF) Aegis Destroyer fleet and JCPTS remain ready to provide critical capabilities in the defense of Japan. Japan's AEGIS Destroyers provide ship-based ballistic missile defense capabilities and build upon a longstanding cooperative effort with the United States to provide enhanced capability with a valued partner in a geographic region of critical importance to Japan and the United States. Japan will have no difficulty absorbing this support into its armed forces.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

The prime contractor will be Lockheed Martin, Moorestown, NJ. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require the assignment of two contractor representatives to Japan to support the program.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

[FR Doc. 2019-26164 Filed: 12/3/2019 8:45 am; Publication Date: 12/4/2019]